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## **OUTCOME OF PROCEEDINGS**

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Subject: Mid-Term Evaluation of the NDICI-Global Europe external financing

instrument

- Council conclusions (24 June 2024)

Delegations will find in the annex the Council conclusions on the mid-term evaluation of the NDICI-Global Europe external financing instrument, as approved by the Council at its 4038th meeting held on 24 June 2024.

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## Council conclusions on the Mid-Term Evaluation of the NDICI-Global Europe external financing instrument

- The Council welcomes the Commission's Mid-Term Evaluation Report ('the report') on the external financing instruments of the 2021-2027 Multiannual Financial Framework (MFF) based inter alia on an external evaluation and in compliance with Article 42 of the NDICI Global Europe Regulation ('the Regulation'). The Council is aware that after two years of implementation it is too early for a thorough assessment of the development impact in partner countries and therefore emphasises the importance of continuing to monitor the implementation of the NDICI-Global Europe. The Council takes note of the European Parliament's report on the implementation of the Neighbourhood, Development, and International Cooperation Instrument Global Europe<sup>1</sup> and calls on the Commission to take into account the recommendations contained in the report, in particular regarding the EU Delegations' coordination mandate and the need for increased visibility.
- 2. The Council considers that the NDICI-Global Europe is overall fit for purpose and delivering against its objectives. The Council reaffirms the relevance of these objectives as formulated in Article 3 of the Regulation. These entail upholding and promoting the Union's values, principles and fundamental interests worldwide, thus contributing to the eradication of poverty, promoting democracy, the rule of law, human rights, sustainable development, the fight against climate change and addressing irregular migration and forced displacement, including their root causes; promoting multilateralism and the achievement of international commitments in particular the 2030 Agenda and its Sustainable Development Goals (SDGs) and the Paris Agreement; and promoting stronger partnerships based on mutual interests and ownership.

<sup>&</sup>lt;sup>1</sup> https://www.europarl.europa.eu/doceo/document/A-9-2023-0374\_EN.html

- 3. The Council notes that the current challenging geopolitical context requires a European Union that delivers on its development and geopolitical objectives, promotes the EU's core values and interests globally, and responds to the needs of partner countries. In this regard, the NDICI-Global Europe, through its policy-first ambition and strengthened partnerships, enhances the Union's geopolitical role. The Council recalls that human rights, gender equality, together with democratic values and high standards, good governance and transparency and the fight against corruption are integral elements of strengthening the efficiency, transparency and concrete results of development efforts in partner countries. The NDICI-Global Europe instrument and the Global Gateway strategy are key tools in achieving these objectives through a Team Europe approach.
- 4. The EU's external instruments are key to increasing the coherence between the EU's development, foreign, climate and environment, trade, migration and security policies, and to demonstrating EU global leadership, responsibility and solidarity. In this regard, the Council affirms the need for stronger policy coherence for development, together with the development effectiveness principles, in order to achieve more effective development cooperation and to achieve the specific objectives of both the NDICI-Global Europe and the 2030 Agenda. The Council takes note of the European Parliament Resolution on Policy Coherence for Development (PCD)<sup>2</sup> and the recommendations to develop a policy coherence action plan in order to formulate clear PCD objectives.
- 5. The Council further welcomes the closer collaboration between the Commission services, the European External Action Service (EEAS) and the EU Member States promoted by the NDICI-Global Europe and recalls its statement on governance with respect to the NDICI-Global Europe. It reaffirms its critical role in providing strategic guidance on policy objectives and priorities throughout the implementation of the Instrument and remains committed to maintaining this role and to working continuously to improve its guidance. To this end, it calls on the Commission to share information in a regular, timely and detailed manner. This strategic guidance includes the overall strategic choices for programming, use of the rapid response pillar and mobilisation of the emerging challenges and priorities cushion, and monitoring the optimal use of resources in relation to all targets, and how the Union funding is being used to meet the objectives set out in the Instrument.

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<sup>&</sup>lt;sup>2</sup> 2021/2164(INI) - 14/03/2023 - Policy Coherence for Development (europa.eu)

- 6. The Council reaffirms that the overall framework for the implementation of the NDICI-Global Europe is constituted by the New European Consensus for Development and the support to the 2030 Agenda, the Paris Agreement, and the Addis Ababa Action Agenda. The Council urges continued focus on the SDGs, including the interlinkages between them, and especially on those SDGs where progress is lagging in order to regain lost ground, and with particular attention on most vulnerable groups, Least Developed Countries and Small Island Developing States where the needs are the greatest. It recalls that the Instrument should contribute to the collective Union objective of providing 0,7 % of Gross National Income (GNI) as ODA within the timeframe of the 2030 Agenda.
- 7. The Council acknowledges that the NDICI-Global Europe, while much larger in both thematic and regional scope, contributes significantly to the implementation of the Global Gateway strategy which must also play an important role in achieving the SDGs and the Paris Agreement notably by also promoting social inclusion and sustainable human development. It encourages further reflections on how to make better use of the NDICI-Global Europe's development impact in the implementation of the Global Gateway strategy. The Council notes that ensuring the participation of the private sector, notably Small and Medium-sized Enterprises, remains a challenge and calls on the Commission to make further efforts to address this key element for implementing this strategy.
- 8. Regarding the challenges that remain for the effective implementation of the NDICI-Global Europe, as identified in the report and the external evaluation, the Council stresses the following aspects:
  - a. The Council concurs with the Commission's assessment that, by merging several external financing instruments of the 2014-2020 MFF, the NDICI-Global Europe is addressing the fragmented set-up of the previous financial architecture. The Council welcomes the added value this instrument brings by providing a more coherent and integrated framework with programmable and non-programmable pillars, and by providing a unified legal basis for a large share of the EU's external interventions. The Council invites the Commission to further enhance coherence between internal and external policies and priorities, and to take into account the impact of EU policies on partner countries.

- b. The Council notes that streamlining several external financing instruments into the NDICI-Global Europe is a step forward in terms of clarity, effectiveness and transparency of the EU's support to and cooperation with its partner countries. Notwithstanding these improvements, the Council invites the Commission to address persistent challenges.
   The Council calls upon the Commission to address the increased complexity for local actors and civil society to participate in and have access to funding of the NDICI-Global Europe programmes.
- c. The Council notes that while the **governance of EU external action** has improved under the NDICI-Global Europe, further adjustments in line with lessons learned should be considered. The Council remains determined to continue providing strategic guidance and, to this end, underlines the importance of timely sharing of streamlined information by the Commission and EEAS as well as the availability of data by country, region and thematic area, in order to better inform political decision-making. It also calls on the Commission to make better use of the NDICI-Global Europe committee and the EFSD+ Board for discussion with Member States. The Council calls on the Commission and the EEAS to strengthen and adapt capacities and expertise, both at EU Delegations and headquarters, as well as to better align working methods between different Directorates-General, and to submit proposals to improve and streamline the programming process, thereby enhancing the efficiency of the NDICI-Global Europe. The Council welcomes the Commission's intention to start reporting on the operational results of the NDICI-Global Europe from 2024. It also notes that more focus on the qualitative analysis of results is required to improve monitoring and evaluation.

- d. The Council welcomes that the NDICI-Global Europe contributes to enabling the EU to engage with partner countries through a strategic, inclusive, efficient and tailor-made approach, based on respect, equal partnership, common interests and mutual accountability. The Council commends the enhanced promotion of EU and partner countries' shared priorities as well as the policy-first approach to the EU's external cooperation. It welcomes in particular the progress made to promote stronger and mutually beneficial partnerships with third countries, including with the European Neighbourhood Policy countries based on ownership with a view to fostering stabilisation, good governance and building resilience. Based on these principles, the Council underlines the importance of policy dialogue with partner countries, in alignment with the respective national development strategies, including local civil society and local and regional authorities, acknowledging the need for strengthened ownership and alignment, based on mutual interests and shared values. Regarding the incentive-based approach, the Council invites the Commission to put forward proposals to address the shortcomings identified in the report.
- e. In this context, opportunities for more **strategic outreach**, including communication, dialogue and through the organisation of high-level political visits and Team Europe missions, should be further explored, building on the lessons learned identified in the report. This should also support the partners' understanding of the opportunities provided by the Instrument. The Council calls upon Team Europe members to increase efforts to reinforce local ownership, in particular from communities, local and regional authorities and civil society organisations.
- f. Regarding the **Team Europe approach** the Council welcomes the increased collective engagement of European actors in EU external cooperation, sharing and building upon the knowledge and expertise of Team Europe members, on the basis of inclusiveness, and recalls the Council conclusions of 21 November 2023 on the Team Europe approach. The Council invites Team Europe members to further enhance collaboration and synergies between the EU and bilateral cooperation, emphasising the need for strengthened, regular, inclusive and substantive consultations, in particular at country level while also ensuring the participation of those Member States not present on the ground. The Council values that Team Europe Initiatives are becoming key components of the Team Europe approach and of NDICI-Global Europe implementation.

- g. The Council considers that the **geographisation principle**, namely strengthening the geographical pillar as the main approach of implementation, has contributed to better focus the EU's engagement on partner countries' priorities, through stronger dialogue and consultation and better use of complementary means such as the thematic pillar which is essential for addressing specific horizontal challenges. In this context, the Council emphasises the need to maintain a regionally and thematically balanced approach, and urges the Commission to further improve the synergy between country, regional and thematic programmes as well as support for global public goods, in close consultation with Team Europe actors and partner countries and, where relevant, with regional organisations. The Council recognises that thematic programmes provide essential complementary funding to geographic programmes for addressing global challenges.
- h. The Council stresses the importance of a strong and coordinated Team Europe engagement in fragile contexts and welcomes the variety of tools offered by the NDICI-Global Europe to do so, including through the Rapid Response Pillar. In this regard, it recalls that support to 'Peace, Stability and Conflict Prevention' and to security is a transversal priority of the NDICI-Global Europe, including in geographic pillars. It therefore encourages the Commission to improve linkages between more flexible crisis response and longer-term development as well as stronger coherence with CSDP instruments in line with the EU Integrated Approach to External Conflicts and Crises. In this context, the importance of supporting security and rule of law frameworks to achieve sustainable peace and development is crucial. This includes supporting legal and judicial reforms, strengthening human security, and promoting inclusive peace processes and inclusive institutions. Reiterating the need to closely associate Member States, the Council calls upon the Commission and the EEAS to continue supporting vulnerable populations in fragile contexts to build resilience through a more effective, flexible, inclusive, partnership-based, comprehensive, sustainable and conflict sensitive approach. This should include increasing the coherence and flexibility of the relevant instruments, by making the best use of locally-informed conflict assessments as a basis for shared analysis, and by strengthening the humanitarian-development-peace nexus, promoting locally-led development and exploring regional approaches. In order to bring about more coherent engagement, the Council emphasises the need for more systematic coordination between the EU Institutions and Member States. The Council remains committed to a more joined up response in fragile contexts.

- i. The Council underlines the importance of preserving the increased flexibility introduced by the NDICI-Global Europe, which has proved its relevance, particularly in responding to the series of unprecedented and ongoing crises. However, the Council notes with great concern the high level of mobilisation of the cushion for emerging challenges and priorities so far. The Council sees the need to improve the modalities, criteria and guidance for the deployment of this flexibility and for clearer and timely steering by the Council. It therefore invites the Commission to a joint reflection on a better use of the cushion and other flexible elements of the Instrument. It underlines that programmable financing options should be used whenever possible.
- j. The Council recalls the relevance of all **targets and financial envelopes**, and emphasises their importance in ensuring that the implementation of the NDICI-Global Europe contributes to EU policy objectives and remains committed to ensuring targets in the next external financing instrument. In this regard, the Council specifically reaffirms the importance of at least 93% of NDICI-Global Europe funding being reportable as Official Development Assistance, of which at least 20 % should contribute to social inclusion and human development. It takes note of the Commission's assessment, according to which the NDICI-Global Europe is generally on track to meet the spending targets, but calls for increased efforts to reach all targets by 2027, inviting the Commission to present concrete steps. The Council underlines in particular the importance of reaching the climate and gender equality targets, as these are currently not on track. The Council encourages further investment in expertise and capacity-building at EU Delegations and headquarters in order to apply markers and monitor targets more rigorously and use data more strategically.

- k. The Council welcomes the potential of the **European Fund for Sustainable Development** Plus (EFSD+), notably in terms of the leverage effect for public and private investments and to increase access to financing in partner countries. The NDICI-Global Europe has further strengthened the contribution of financial institutions to EU external action. Emphasising the need to be consistent with the SDGs, the Council welcomes that EFSD+ contributes to achieving the 2030 Agenda by fostering sustainable and inclusive economic and social development in partner countries. It underlines the important role of EU blending in maximising development outcomes. With respect to the EFSD+ special attention to LDCs and fragile settings, the Council notes that challenges remain and further reflection is needed in this regard. The report of the High Level Expert Group on Scaling up Sustainable Finance in Low and Middle Income countries is important in this regard. The Council emphasises the role of the Strategic Board of EFSD+ in providing strategic guidance. It calls on the Commission to reflect on further increasing EFSD+ impact and to speed up contracting, facilitate the implementation and monitoring of the budgetary guarantees, and strengthen the involvement of local stakeholders. The Council welcomes the closer links with financial institutions, and stresses that the diversity, experience and mandates of the financial institutions as part of the European Financial Architecture for Development (EFAD) could bring added value to the European development cooperation policy, and encourages scaling up cooperation between European development banks and finance institutions. The Council looks forward to discussing the opinion of the Court of Auditors on the External Action Guarantee, in line with Article 42(5) of the NDICI-Global Europe Regulation.
- 9. The Council emphasises the need to swiftly implement the recommendations of the European Court of Auditors' special report 14/2023 on the programming of the NDICI-Global Europe and recalls its conclusions thereon of 21 November 2023.
- 10. With regard to the Mid-Term Review of the NDICI-Global Europe, the Council looks forward to dialogue with the Commission and calls for a transparent process, taking into account the conclusions of the Mid-Term Evaluation, in compliance with Article 16 of the Regulation.
  It recalls the conclusions of the European Council of 1 February 2024 on the mid-term revision of the MFF.

- 11. The Council emphasises the importance of learning from both the Commission's report and the independent report on the Mid-Term Evaluation as well as from Member States' experiences in order to inform the discussions about the successor to the instrument under the next MFF.
- 12. The Council looks forward to the implementation of its strategic guidance and encourages the use of the NDICI-Global Europe to further maximise Team Europe's impact on development and peace while contributing to the EU's geopolitical role.