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COVER NOTE

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

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To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

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Subject: COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT pursuant to Article 294(6) of the Treaty on the Functioning of the European Union concerning the position of the Council on the adoption of a Regulation of the European Parliament and of the Council on the Neighbourhood, Development and International Cooperation Instrument – Global Europe for the period 2021-2027

Delegations will find attached document COM(2021) 267 final.

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Brussels, 27.5.2021
COM(2021) 267 final

2018/0243 (COD)

**COMMUNICATION FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT**

pursuant to Article 294(6) of the Treaty on the Functioning of the European Union

concerning the

**position of the Council on the adoption of a Regulation of the European Parliament and
of the Council on the Neighbourhood, Development and International Cooperation
Instrument – Global Europe for the period 2021-2027**

(Text with EEA relevance)

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1. BACKGROUND

Date of transmission of the proposal to the European Parliament and to the Council (document COM(2018) 460 final – 2018/0243 COD)	14 June 2018
Date of Committee of Permanent Representatives' agreement on a partial negotiating mandate	12 June 2019
Date of Committee of Permanent Representatives' agreement on a complemented partial negotiating mandate	25 September 2019
Date of trilogue 1	23 October 2019
Date of Committee of Permanent Representatives' agreement on a complemented partial negotiating mandate	27 November 2019
Date of the position of the European Parliament (Report)	27 March 2019
Date of trilogue 2	5 December 2019
Date of trilogue 3	20 February 2020
Date of trilogue 4	11 June 2020
Date of Committee of Permanent Representatives' agreement on a complemented partial negotiating mandate	18 September 2020
Date of trilogue 5	2 October 2020
Date of trilogue 6	20 November 2020
Date of trilogue 7 (final)	15 December 2020
Date of political agreement in the Committee of Permanent Representatives	17 March 2021

Date when the AFET and DEVE committees of the European Parliament voted to endorse the compromise agreement 19 March 2021

Date of adoption of the Council's first reading position 26 May 2021

2. OBJECTIVE OF THE COMMISSION'S PROPOSAL

The Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe is a key component of the Union's toolbox for cooperation with its immediate neighbourhood and the world, under the Multiannual Financial Framework (MFF) for 2021-2027.

The proposal is for a spending instrument to uphold and promote the Union's values and interests worldwide in order to pursue the objectives and principles of its external action, as laid down in Article 3(5), 8 and 21 of the Treaty on European Union (TEU).

The NDICI-Global Europe Regulation will cover actions previously covered under 11 different Regulations¹, thus increasing the coherence and consistency of the Union's external action. It is part of the EU budget and the alignment with the Financial Regulation will ensure a level playing field as it provides for a common rulebook, establishes simpler, more transparent and more flexible rules for EU funds. It will 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. It will also 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. It will 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 Regulation has the following specific objectives:

(a) 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;

(b) 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;

(c) at global level:

– to protect, promote and advance human rights, including gender equality and the protection of human rights defenders, including in the most difficult circumstances

¹ Regulations (EU) No 230/2014, (EU) No 232/2014, (EU) No 233/2014, (EU) No 234/2014, (EU) No 235/2014, (EU) No 236/2014 and (EU) 2017/1601 of the European Parliament and of the Council, Decision No 466/2014/EU of the European Parliament and of the Council, Council Regulations (EC, Euratom) No 480/2009, (Euratom) No 237/2014 and (EU) 2015/322 and the 11th European Development Fund (EDF)'s Internal Agreement.

and urgent situations, democracy and the rule of law, including accountability mechanisms,

- to support civil society organisations,
- to further stability and peace, prevent conflict, thereby contributing to the protection of civilians,
- to address other global challenges such as climate change, protection of biodiversity and the environment, as well as migration and mobility.

(d) 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.

The agreed overall financial envelope is EUR 79.462 billion (in current prices).

3. COMMENTS ON THE POSITION OF THE COUNCIL

The Council's position fully reflects the agreement reached in the trilogues. The most important changes it has introduced, compared to the Commission's proposal, include:

- *Concerning the budget:*
 - a modified budget for the instrument and its components, in line with the July 2020 European Union Council Conclusions and with a pro-rata adjustment for the amounts not explicitly disaggregated in the Conclusions;
 - a cap for the actions on capacity building of military actors in support of development and security for development of EUR 270 million;
 - an indicative amount of EUR 1 800 million for Erasmus;
 - the possibility to dedicate up to 25% of the thematic programme on human rights and democracy to electoral observation missions;
 - an indicative amount of at least EUR 500 million for the Pacific and at least EUR 800 million for the Caribbean within the corresponding geographic envelopes;
 - an indicative amount of at least EUR 500 million for local authorities under the geographic programmes;
 - additional funds guaranteed from the emerging challenges and priorities cushion for the thematic programmes on human rights and democracy (EUR 200 million), civil society organisations (EUR 200 million) and global challenges (EUR 600 million).
- *Concerning the governance elements of the Regulation:*
 - additional delegated acts to modify the provisioning amount and ceiling for the External Action Guarantee and to modify the cap on capacity building for development and security for development;
 - an additional delegated act to frame geographic programmes, to be adopted in 2021 and covering:

- specific objectives and priority areas of cooperation drawn from common areas of cooperation, including a prioritisation, in annex II per sub-region;
 - sub-regions are the following: 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, the Caribbean;
 - thematic targets for the geographic pillar, as per Annex IV (1) (b) of the DCI;
 - financial allocations for West Africa, East and Central Africa and Southern Africa and Indian Ocean.
- a compulsory mid-term review of the delegated act to frame geographic programmes;
 - a recital on suspending assistance in cases where there is degradation of democracy and the rule of law;
 - a reference to respect for conventions on nuclear safety standards as a programming principle;
 - a compulsory mid-term review of programming documents;
 - a reference to the possibility of establishing a Pan-African programme and an Africa, Caribbean and Pacific programme.
- *Concerning migration:*
 - a level for the spending target of ‘indicatively 10%’;
 - a reference to the fact that migration-related actions should contribute to the effective implementation of EU agreements and dialogues on migration with third countries by encouraging cooperation relying on a flexible incitative approach and supported by a coordination mechanism.
 - *Concerning the Neighbourhood:*
 - keeping the existing wording of the European Neighbourhood Instrument on the incentive-based approach;
 - setting the share of the Neighbourhood’s financial envelope that can be indicatively allocated to cross-border cooperation at ‘up to 5%’.
 - *Concerning spending targets other than the ones mentioned above:*
 - raising the spending target for Official Development Assistance to at least 93%;
 - raising the spending target for climate action to 30%;
 - inserting ‘at least’ before the spending target of 20% of Official Development Assistance expenditure for human development and social inclusion;
 - adding a reference to the contribution to the MFF spending target of 10% for biodiversity objectives;
 - setting an additional target of ‘at least 85%’ of actions with gender equality as a principal or significant objective, of which at least 5% should have gender

equality and women's and girls' rights and empowerment as a principal objective.

- *EFSD+/External Action Guarantee:*
 - reducing the maximum amount of the External Action Guarantee to EUR 53 449 million and introducing a cap of EUR 10 000 million to provision the guarantee. These amounts can be amended by a delegated act;
 - strengthening the articles on the purpose, governance, eligibility of operations and reporting of the EFSD+, as well as the annex on priority areas of EFSD+ operations. The text on governance is no longer in an annex that could be amended by a delegated act, but is incorporated in articles in the main body of the Regulation;
 - specifying the role of the EIB in the EFSD+, notably by establishing an exclusive dedicated investment window for sovereign and non-commercial sub-sovereign operations and, if appropriate, the establishment through the relevant standard procedure of two dedicated-investment windows for commercial sub-sovereign and private sector operations, for an overall indicative amount of EUR 26 725 million;
 - introducing relevant definitions concerning the EFSD+, notably on additionality;
 - introducing an article on a grievance and redress mechanism and on protecting the EU's financial interests.
- *Name of the instrument:*
 - adding 'Global Europe' to the name, which therefore becomes 'Neighbourhood, Development and International Cooperation Instrument – Global Europe'.

The agreement preserves the aims of the Commission's original proposal, maintaining the level of ambition and allowing for sufficient flexibility in implementing the new rules. The Commission therefore supported the changes highlighted above.

4. CONCLUSION

The Commission supports the results of the inter-institutional negotiations and therefore accepts the position taken by the Council.

5. DECLARATIONS FROM THE COMMISSION

The Commission has made two unilateral declarations, which can be found in the appendix.

APPENDIX

Declarations from the Commission

The Commission's declaration on a geopolitical dialogue with the European Parliament on the Neighbourhood, Development and International Cooperation Instrument – Global Europe:

'The European Commission, mindful of the European Parliament's functions of political control laid down in Article 14 of the Treaty on the European Union, commits to conduct a high-level geopolitical dialogue between the two institutions on the implementation of Regulation (EU) XXX/XXX of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe. This dialogue should allow exchanges with the European Parliament, whose positions on the implementation of the NDICI will be fully taken into consideration.

The geopolitical dialogue will discuss general orientations on the implementation of the NDICI, including on programming before the adoption of programming documents, and concerning specific subjects such as the use of the emerging challenges and priorities cushion or applying leverage leading to possible changes in allocation of funding dedicated to migration or suspension of assistance to a partner country when it persistently fails to observe the principles of democracy, the rule of law, good governance, respect for human rights and fundamental freedoms.

The geopolitical dialogue will be structured as follows:

- i) A high-level dialogue between the High Representative/Vice President and the Commissioners in charge of International Partnerships and of Neighbourhood and Enlargement and the European Parliament.*
- ii) A permanent dialogue at senior officials' level with AFET and DEVE working groups to ensure an adequate preparation and follow-up to the high-level dialogue.*

The high-level dialogue will take place at least twice a year. One of the meetings may coincide with the presentation by the Commission of the draft annual budget.

The Commission's declaration on Recitals 50 and 51 and Article 8.10:

'Regional migration support programmes will support comprehensive, balanced and tailor-made partnerships with relevant countries of origin or transit and host countries, following a flexible incitative approach, and supported by the coordination mechanism within the Neighbourhood, Development and International Cooperation Instrument – Global Europe. They will be complemented by actions under the country programmes, where appropriate.

In order to ensure the most efficient and impactful use of these funds, in line with the Union's and partner countries' policy priorities, the European Commission will actively implement these priorities using all relevant Union instruments and participate in the coordination with the Member States in a synchronised and efficient manner. It will ensure that the European Parliament and the Council are closely and regularly informed, allowing for exchanges of views.