



Brussels, 4 February 2026  
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2025/0262 (COD)

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NDICI 4  
DEVGEN 23  
RELEX 153  
PE 15  
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COAFR 31  
COASI 27  
COEST 105  
COLAC 16

COWEB 12  
ELARG 15  
MAMA 28  
MOG 30  
GLOBAL GATEWAY 10  
FIN 208  
ECOFIN 157  
CODEC 172

## OUTCOME OF PROCEEDINGS

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From: General Secretariat of the Council  
To: Delegations

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Subject: Proposal for a Regulation of the European Parliament and of the Council on amending Regulation (EU) 2021/947 as regards increased efficiency of the External Action Guarantee

- Letter to the Chair of the European Parliament Committee on Development and the Chair of the European Parliament Committee on Foreign Affairs

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Following the Permanent Representatives Committee meeting of 4 February 2026 which endorsed the final compromise text with a view to agreement, delegations are informed that the Presidency sent the attached letters, together with their Annex, to the Chair of the European Parliament Committee on Development and the Chair of the European Parliament Committee on Foreign Affairs.

Brussels, 4 February 2026

Mr Barry ANDREWS and Mr David MCALLISTER  
Chairs of the Committee on Development and of the Committee on Foreign Affairs

European Parliament  
Rue Wiertz 60  
B-1047 BRUSSELS

**Subject:** Proposal for a Regulation of the European Parliament and of the Council on amending Regulation (EU) 2021/947 as regards increased efficiency of the External Action Guarantee

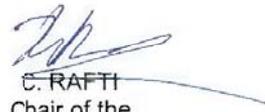
Dear Mr ANDREWS and Mr MCALLISTER,

Following the informal negotiations on this proposal between the representatives of the three institutions, today the Permanent Representatives Committee agreed with the final compromise text.

I am therefore now in a position to inform you that, should the European Parliament adopt its position at first reading, in accordance with Article 294(3) TFEU, in the exact form of the text set out in the Annex to this letter (subject to revision by the lawyer-linguists of the two institutions), the Council, in accordance with Article 294(4) TFEU, will approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the position of the European Parliament.

On behalf of the Council, I also wish to thank you for your close cooperation which should enable us to reach agreement on this proposal at first reading.

Yours sincerely,



C. RAFTI  
Chair of the  
Permanent Representatives Committee

Copy:

- Ms Marta KOS, Commissioner for Enlargement
- Mr Jozef SÍKELA, Commissioner for International Partnerships
- Ms Dubravka ŠUICA, Commissioner for the Mediterranean
- Mr Charles GOERENS, European Parliament rapporteur

Rue de la Loi/Wetstraat 175 – 1048 Bruxelles/Brussel – Belgique/België  
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Brussels, 4 February 2026

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Chairs of the Committee on Development and of the Committee on Foreign Affairs

European Parliament  
Rue Wiertz 60  
B-1047 BRUSSELS

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2025/0262 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on amending Regulation (EU) 2021/947 as regards increased efficiency of the External Action Guarantee**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 209 and 212 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (-1) *The Union's external financing instruments, including the EFSD+, continue to be guided by the objectives and principles of the Union's external action, as laid down in Article 3(5) and Articles 8 and 21 of the Treaty on European Union (TEU) and Article 208 of the Treaty on the Functioning of the European Union (TFEU). Measures to enhance the efficiency of the External Action Guarantee should be pursued in a manner fully consistent with those objectives and principles, while ensuring alignment between Union policies and partner countries' own priorities.*
- (1) The global geopolitical and geoeconomic context requires that the Union reaffirms its commitment to establish mutually beneficial partnerships with partner countries, *including to consolidate democratic institutions, strengthen regional stability and security, address migration challenges, foster human development, diversify supply chains, uphold the*

*rules-based international order and address the consequences of Russia's war of aggression against Ukraine.*

- (1a) *The Union and its Member States collectively remain the world's largest providers of official development assistance, therefore their strategic ambitions and actions require strong visibility. As part of the Team Europe approach, the Union's and Member States' international cooperation policies should complement each other to improve the effectiveness, impact and value added of their collective assistance and contribute to strengthening awareness and the visibility of the Union's and its Member States' actions in partner countries.*
- (2) The Draghi report recommends ensuring a greater involvement of the private sector and to reduce excessive external dependencies by securing supply of raw materials, clean energy, sustainable transport fuels, and clean tech from across the world, thereby upgrading and leveraging the Global Gateway<sup>1</sup> as well as the growth plans for the enlargement countries ***and the comprehensive partnerships with the Neighbourhood***, which require additional resources.
- (3) █
- (4) An important Union financing instrument to deliver on the Global Gateway objectives and the strategic investments is the European Fund for Sustainable Development Plus (EFSD+), and notably its budgetary guarantee, a component of the External Action Guarantee established by Regulation (EU) 2021/947 of the European Parliament and of the Council<sup>2</sup>. Efficiency gains on the External Action Guarantee would allow funding EU external action priorities, including possibly scaling up the Global Gateway, ***while adopting a differentiated context-specific approach to partner countries, especially those identified as experiencing fragility or conflict, LDCs and heavily indebted poor countries.***

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<sup>1</sup> “The Global Gateway”, Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, JOIN(2021) 30 final, 1.12.2021

<sup>2</sup> Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/947/oj>).

- (4a) *Taking into account risks of foreign influence and competing initiatives, in implementing the EFSD+, attention should be paid to ensuring that the Union provides support under the EAG only to operations that comply with EU values and interests and ensure a level playing field and fair competition for EU companies.*
- (5) EFSD+ has met a very high demand from the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and other development financial institutions (DFIs), as confirmed by the evaluation of the External Financing Instruments for the 2014-2020 and 2021-2027 Multiannual Financial Frameworks<sup>3</sup>.
- (6) The guarantee cover of EFSD+ could be increased until 2027 with surpluses from the European Sustainable Development Fund (EFSD) and by using more efficiently the Union guarantee by reducing its EU liability under the EIB's exclusive dedicated investment window for operations with sovereign counterparts and non-commercial sub-sovereign counterparts from 65 % to 60 %. The latter would only come into effect after amending the corresponding guarantee agreement between the Commission and the EIB. The assignment of surpluses from legacy instruments to the benefit of EFSD+ is without prejudice to the negotiations on the post-2027 multiannual financial framework.
- (7) Assigning the EFSD guarantee surpluses to the EFSD+ provisioning as from 31 December 2024 requires a derogation from Article 216(4), point (a), of the Financial Regulation<sup>4</sup>.
- (7a) *In the interest of a balanced and inclusive external action that reflects the Union's broader geopolitical commitments, the assignment of EFSD guarantee surpluses to the EFSD+ provisioning should be made in compliance with the balance across all eligible regions, as enshrined in the financial geographic envelopes set out in Regulation (EU) 2021/947, and in particular with the minimum amounts referred to in point (a) of Article 6(2) of that Regulation.*
- (8) Allowing the use of resources of the EFSD+ guarantee to pay guarantee calls on the EFSD guarantee as from 31 December 2024 requires a derogation from Article 214(6) of the Financial Regulation.

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<sup>3</sup> COM(2024) 208 final of 15.5.2024

<sup>4</sup> Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

- (9) The capacity of the EIB, the EBRD and the DFIs to efficiently implement additional resources should be increased by the simplification of the framework for blending operations, the consolidation of guarantee and technical assistance agreements with the same implementing partner and the reduction of the financial reporting from a quarterly frequency to a semi-annual one. ***Simplification is essential to mobilise private investment at scale, increase the leverage effect of Union funds and create a predictable environment for private partners willing to co-invest in sustainable development.***
- (10) In addition, in terms of simplification, the obligation of implementing partners to audit the information on individual operations under guarantee agreements that they must provide in their annual reporting to the Commission, which is not required by the Financial Regulation, shall be removed.
- (10a) ***Efficiency and simplification should be accompanied by appropriate transparency and accountability, in line with the Commission's reporting obligations under Article 41(7) of Regulation (EU) 2021/947 towards the budgetary authority, including clear information about the performance of EFSD and EFSD+, on the leveraging of the funds, the fund allocation to programmes and projects, total surpluses and deficits identified, the origin of any surpluses and the amounts proposed for reallocation. The Commission should provide clear and regular reporting on the additionality of EFSD+ operations, including evidence that supported portfolios carry a higher risk profile than comparable normal investment activities of implementing partners.***
- (11) Since the objectives of this Regulation, namely to enhance the Unions engagement with its partner countries and reduce its excessive external dependencies, cannot be sufficiently achieved by the Member States, but can be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

*Article 1*

**Amendments to Regulation (EU) 2021/947 [NDICI-Global Europe Regulation]**

Regulation (EU) 2021/947 is amended as follows:

(1) Article 30(4) is amended as follows:

‘By way of derogation from Article 212(3) of the Financial Regulation, repayments and revenues generated by a financial instrument established under this Regulation shall be assigned to the budget line of origin after deduction of management costs and fees.

By way of derogation from Article 216(4), point (a), of the Financial Regulation, any surplus of provisions for the EFSD guarantee under Regulation (EU) 2017/1601 reported in 2025, 2026 and 2027 in the working document attached to the draft budget as per Article 41(5), point (h), of the Financial Regulation, *shall* be used for the provisioning of the budgetary guarantee supported by EFSD+ established under this Regulation.

The resources referred in the first two subparagraphs of this paragraph shall constitute internal assigned revenue within the meaning of Article 21(5) of the Financial Regulation.’

(2) in Article 31(8), the following subparagraph is added:

‘By way of derogation from Article 214(6) of the Financial Regulation, EFSD+ resources relating to provisioning of the budgetary guarantee supported by EFSD+ established by this Regulation and referred to in Article 214(4), first subparagraph, points (b) and (d), of the Financial Regulation, *shall* be used to cover payment of calls **above EUR 10 million** on the EFSD guarantee *in 2025, 2026 and 2027*.’

(3) in Article 36(1), second subparagraph, the second sentence is replaced by the following:

‘Under the exclusive dedicated investment window, the own resources contribution shall be understood as the assumption of residual risk and the EU guarantee shall cover 60 % of the aggregate amount disbursed and guaranteed under EIB financing operations, less amounts reimbursed, plus all related amounts.’

(4) Article 38(6) is repealed.

*Article 2*

**Entry into force and application**

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*

*For the Council*

*The President*

*The President*